

CHAPTER NO. 168

SENATE BILL NO. 1120

By Cooper

Substituted for: House Bill No. 1358

By Fitzhugh, Rhinehart, Phelan, Lewis, Rinks, Gunnels

AN ACT To amend Tennessee Code Annotated, Title 45, Chapter 2, Part 19, relative to credit card state banks.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 45-2-1902, is amended in subsection (d)(1), by inserting the words "or the making of loans" immediately after the words "card operations" and by deleting subsection (d)(5) in its entirety and by substituting instead the following:

(d)(5)(A) If in existence on the effective date of this act, shall not engage in the business of making commercial loans, unless the charter is amended to include a provision electing to engage in commercial lending.

(B) If organized on or after the effective date of this act, shall not engage in the business of making commercial loans, unless the charter contains a provision or is subsequently amended to include a provision electing to engage in commercial lending.

SECTION 2. Tennessee Code Annotated, Section 45-2-1902(g), is amended by deleting the language "and create credit card accounts" and by substituting instead the language and punctuation ", create credit card accounts and make loans".

SECTION 3. Tennessee Code Annotated, Section 45-2-1903(b), is amended by adding the following at the end of the subsection:

With regard to a state credit card bank electing to make loans pursuant to Tennessee Code Annotated, Section 45-2-1902(d)(5), and with regard to a domestic lender electing to make loans pursuant to Tennessee Code Annotated, Sections 45-2-1901 through 45-2-1908, "credit card account" or "credit card plan" shall also include loans.

SECTION 4. Tennessee Code Annotated, Section 45-2-1903, is further amended by redesignating subsection (c) as subsection (d), and by adding the following as a new subsection (c):

(c) "Loan" means any extension of credit, including without limitation credit extended under plans or in transactions for which no credit card is issued, whether by way of installment, single payment, add-on, discount factoring, or otherwise for personal, consumer, agricultural or commercial purposes.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.

PASSED: May 3, 1999




JOHN S. WILDER
SPEAKER OF THE SENATE



JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 17th day of May 1999



DON SUNDQUIST, GOVERNOR